



UNCLASSIFIED

DEPARTMENT OF STATE  
WASHINGTON

INT 180/1

May 24, 1946

124

MEMORANDUM FOR DR. WILLIAM L. LANGER (SA-I):

Subject: Suggested Departmental views on the  
disposition of FBIS (Foreign Broad-  
cast Intelligence Service).

I. THE PROBLEM.

1. FBIS operates a monitoring service with respect to short, medium and long-wave foreign broadcasts. It provides teletype reporting service to government agencies on selected material and edits and produces a daily summary for each of 3 areas (Europe and Africa, the Far East and Latin America). The summaries are distributed to approximately 300 subscribers, principally within the State, War and Navy Departments. A recent survey indicated that nearly all subscribers attached a high value to the FBIS and that its product represents an important part of the flow of intelligence information. Opinion is nearly unanimous that FBIS operations should be maintained.

2. From its inception in 1941 until late 1945, FBIS operated under the control and direction of the Federal Communications Commission (FCC). In October 1945 FCC's funds were curtailed, and the requirements of its mandatory operations made it necessary to discontinue FBIS. At that juncture, in order to forestall liquidation of a valued intelligence source, the War Department agreed to take over the operation of the existing FBIS organization on a temporary basis. The transfer took place on December 30, 1945. The War Department has included provisions for the continued operation of FBIS on its present scale in its budget for 1947.

3. In February 1946 the A.C. of S., G-2, WDGS, advised the Director of Central Intelligence that the War Department considered it "inappropriate and outside the scope of its responsibilities for /it/ to continue monitoring foreign press and propaganda broadcasts beyond the fiscal year 1946." The War Department requested that the

UNCLASSIFIED

UNCLASSIFIED

INT 180/2

Director of Central Intelligence assume responsibility for the disposition of FBIS and make recommendations to the National Intelligence Authority (NIA) "with a view to determining the most appropriate Government agency to monitor foreign propaganda broadcasts on a continuing basis." On March 6, 1946, by CIG Directive No. 2, an ad hoc committee was appointed to survey the facilities and value of FBIS and to report to the Director of Central Intelligence with respect to its disposition. The ad hoc committee reported on March 26, 1946; the majority of the committee recommended that the operation of FBIS be transferred from the War Department to CIG as of the beginning of fiscal 1947. A minority report by one member of the committee (the steering member who represented both the Director of Central Intelligence and A-2) recommended that the operation of FBIS be continued by the War Department during the 1947 fiscal year.

4. Following the report of the ad hoc committee, the Director of Central Intelligence, in CIG 1/1, presented a proposed report for the concurrence of the Intelligence Advisory Board (IAB) and submission to NIA, which provided that the War Department continue the "operation" of FBIS, but that the Director of Central Intelligence assume responsibility for the "direction" of FBIS monitoring. On May 8, 1946, the A.C. of S., G-2, WDGS, disapproved CIG 1/1 (in a memorandum entitled CIG 1/2) and reiterated the view that the War Department should not continue to operate FBIS. He suggested that CIG should more properly assume operating responsibility, but that in lieu of CIG the State Department would be the proper agency.

5. At a meeting of IAB on May 9, 1946, the question was reviewed by the members present. The A.C. of S., G-2, WDGS, again expressed the view that the War Department was not the proper place for the operation of FBIS and that, since the State Department appeared to be the agency most interested in the product of FBIS, and also the one best able to direct the monitoring effort, it was logical that that Department assume the responsibility. The Special Assistant for Research and Intelligence stated that he recognized the force of those arguments, but that a number of difficult problems would be involved in a transfer of the responsibility to the Department and that he was not prepared to express final judgment on the matter without further checking. The IAB thereupon deferred action upon CIG 1/1, but directed that the Central Planning Staff of CIG consult with the State Department and the War Department as to the practicability of transferring the monitoring function to the State Department.

UNCLASSIFIED

405

UNCLASSIFIED

INT 180/3

6. It is thus essential for the Department to determine promptly:

- a. Whether State could efficiently assume responsibility for the direction and operation of FBIS;
- b. Whether the Department should, in any case, assume such responsibility, and
- c. What position the Department should take with respect to supporting the continuation of FBIS operations elsewhere in the event it appears that the Department should not accept such responsibility at this time.

## II. DISCUSSION.

### 1. The function of FBIS.

#### a. The nature of radio intelligence.

The value of radio monitoring as a primary source of intelligence acquired universal recognition during the war, when large areas of the world were closed to the obtaining of information through normal channels expeditiously. Not only could significant information of direct military value be obtained promptly in that way, but political, economic and sociological intelligence bearing on enemy and occupied areas could often only be obtained from that source. In peace-time the volume of military intelligence arising from radio monitoring declines sharply, and to a much lesser degree the volume of other kinds of intelligence also declines. However, the necessity for the continuation of the activity is generally conceded since other peace-time facilities for the collection of intelligence of all kinds have never proved, and probably will never prove, adequate with respect to certain areas, such as Russia. Radio monitoring—unhampered by frontiers, censorship or other barriers—can continue to produce a sizable volume of otherwise unobtainable information.

In addition to those characteristics, radio monitoring is the fastest and the most economical means yet available for gathering and making centrally available the large amount of information put on the air. Virtually all other means of communication involve long delays and uncertainties in transmitting the information if it could be obtained at all from other sources.

UNCLASSIFIED

UNCLASSIFIED

INT 180/4

In addition to the direct intelligence value of the monitoring function, the coverage of propaganda broadcasts for internal and external consumption is a primary means for guiding and observing the need for and effect of United States information broadcasting. In this connection as well, timeliness is of the essence.

b. Consumers of radio intelligence.

The recipients of the daily summaries issued by FBIS are listed in TAB A. It will be observed that the Department is the largest organizational subscriber, accounting for 40 per cent of the total number of summaries issued daily. The War Department accounts for 22 per cent and the Navy Department 7 per cent. A poll of the recipients in those 3 departments conducted by the ad hoc committee appointed by the Director of Central Intelligence disclosed that a large majority of the individual recipients considered the reports either (1) indispensable or (2) valuable; only a few indicated that the reports were of little use to them. The replies from recipients within the State Department were the most favorable of the Departments canvassed; 64.9 per cent of State subscribers considered the reports indispensable, 29.8 per cent considered them valuable and only 5.3 per cent considered them unnecessary.

TAB A indicates a fairly wide distribution of the FBIS summaries to non-governmental subscribers, some of whom might be disqualified as recipients in future. This would particularly be the case if and when close direction of the monitoring effort took the form of concentrating attention on specific areas from time to time in anticipation of developments or for the purpose of making a more exhaustive intelligence study than the normal sampling would afford. At that time the nature of the direction given to the monitoring might well necessitate the classification of the output.

2. Facilities available to FBIS.

a. Operated facilities.

FBIS maintains headquarters space in downtown Washington where its principal publication and administrative activities are conducted. It operates an intercept station at Silver Hill, Md., which is connected by direct wire with the Washington office. FBIS leases a transcontinental land line connecting the Washington office with a small office in Portland, Oregon, from which a direct line runs to an intercept station near that city. Intercept stations are operated at Kauai, T.H., and at Guam, partially with equipment owned by FBIS and partially loaned to it by the Army.

UNCLASSIFIED

UNCLASSIFIED

INT 180/5

b. Facilities used by FBIS under agreements with the British and with the Army.

At London FBIS maintains an editorial staff which, under a verbal agreement made with the British Broadcasting Corporation (BBC) early in the war for the interchange of foreign broadcast intelligence, has access to the intake of BBC and transmits daily to Washington that part of the total monitored output which is considered of value. At Cairo, Egypt, a similar arrangement is in force with the British Ministry of Information (MOI), but by June 1, 1946, FBIS has undertaken to assume direct operation of the Cairo station when MOI withdraws. In order to transmit to Washington the material selected by FBIS staffs in London and Cairo, as well as the intercepted material sent back daily from Kauai and Guam, FBIS uses cable facilities provided by the Army (both Signal Corps and Air Forces) for a very substantial part of the total. Additional material is sent to Washington from London by commercial cable, and all outposts use airmail to forward broadcasts that are considered of value, but would not justify the use of cables. Incoming material from Kauai and Guam is relayed by the Signal Corps to Portland and thence to Washington over the FBIS leased line.

3. Present broadcast coverage and need for relocation of intercept facilities. The study conducted by the ad hoc committee previously referred to developed certain facts and statistics which point to a number of relatively serious shortcomings in the broadcast coverage now available to FBIS.\* A total of 1,902 transmitters broadcast daily an estimated 9,250,000 words (of the total transmitters 528 are short-wave and 374 are medium or long-wave voice broadcasters). FBIS and the British intercept stations together monitor some 2,102,500 words per day, or 22.7 per cent of the total available. The volume handled at the several intercept points is as follows:

a. London—BBC monitors and makes available to FBIS approximately 1,072,500 words per day. From that about 100,000 words are culled out by the editorial staff and sent to Washington.

b. Cairo—MOI has been monitoring 250,000 words per day, of which 30,000 are sent to Washington.

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\*In view of the limited time available, confirmation of the data used by the ad hoc committee has not been attempted. Officials of FBIS indicate, however, that there have been no substantial changes since they were compiled in February and March 1946.

UNCLASSIFIED

578

UNCLASSIFIED

INT 180/6

c. Silver Hill.--this station monitors 400,000 words per day and sends 35,000 to Washington.

d. Portland--monitors 151,000 words per day, of which 25,000 are sent to Washington.

e. Kauai--monitors 150,000, of which 25,000 are sent to Washington.

f. Guam--monitors 60,000 and sends 5,000 to Washington.

Of the 220,000 words daily sent to Washington headquarters of FBIS, approximately half (111,000 words) are sent by cable (Army and commercial) and the remainder (109,000 words) by airmail. Of this intake at Washington some 40,000 words per day are distributed to the principal government departments by teletype service and 60,000 words daily are distributed in the summary reports sent to subscribers.

The present arrangement of the intercept system was established during the war to obtain the best coverage available at that time, but for several reasons that coverage is now inadequate and embodies a number of significant defects. In the first place FBIS as yet operates no intercept station directly which can hear medium and long-wave broadcasts from Europe, Latin America or the Far East. The Silver Hill, Portland, Kauai and Guam stations can monitor short-wave broadcasts only from any of those regions because of the distance limit on the audibility of medium and long-wave transmitters. The assumption of direct operation of the Cairo station will somewhat mitigate this situation, especially for the Near East and Mediterranean countries. But the life of the Cairo operation is unpredictable and is tied to the operation of U.S. airfields in Egypt in connection with military air routes to the Far East. With respect to Central and Northern Europe, and especially Russia, FBIS is and will remain dependent upon the British intercept service at London for the medium and long-wave coverage. The importance of that coverage rests upon the fact that a large proportion of broadcasting for internal consumption is normally directed to medium and long-wave receivers (the so-called standard broadcast band).

In the Far East again only short-wave broadcasts can be heard by the present stations and none of the output of the medium and long-wave transmitters on the Asiatic mainland can be monitored. None of the available stations can intercept anything but short-wave broadcasts from Latin America. It is thus evident that, in order

UNCLASSIFIED

UNCLASSIFIED

INT 180/7

to obtain the highly desirable coverage of medium and long-wave broadcasts throughout the world and at the same time avoid a very heavy dependence on facilities not under the control of FBIS, it is necessary that a major program be undertaken to relocate the intercept facilities of the service.

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The vulnerability of the arrangement with BBC is considerable. The agreement under which FBIS now maintains its staff in London and secures the monitored product of BBC is entirely informal and has never been reduced to writing. The quid pro quo for BBC was originally the complementary access to U.S. monitoring in the Pacific area, but since the cessation of hostilities BBC has shown little interest in that output, and with Hong Kong and Malaya now available to it once more, the trading value of U.S. monitoring in the Pacific is all but eliminated, at least with the present location of the intercept stations. BBC has advised FBIS that it is currently examining its costs of operation as a result of budgetary difficulties and that it may be necessary to ask for reimbursement for its services if the arrangement is to be continued. This matter is expected to come to a head during the approaching summer.

To accomplish its mission ideally, FBIS should thus be in a position to operate intercept stations situated where it could improve substantially its present coverage under its own direct control. This would necessitate installing one station each at locations (a) in Western Europe as far east as possible, (b) on the Asiatic mainland (say Central China) or as a poor alternative in Japan or on another island near the continent, and (c) in Central or South America.

4. FBIS budget and potential operating costs. The War Department has included a request for \$1,200,000 in its budget for fiscal 1947 for the operation of FBIS. This amount is stated to approximate the actual, out-of-pocket cost of operating FBIS during the 1945 and 1946 fiscal years. The budget includes approximately \$320,000 to cover the estimated cost of commercial communications on the basis of existing arrangements and practices. However, FBIS officials state that the budget contains no charges to FBIS for the use of facilities provided by various parts of the Army, such as Air Force and Signal Corps cables and administrative services furnished by commands to which the FBIS units were attached upon being taken over from FCC.

The A.C. of S., G-2, on several occasions has indicated the willingness of the War Department to continue furnishing existing services to any Department taking over responsibility for FBIS.

-7-

UNCLASSIFIED

UNCLASSIFIED

INT 180/8

Because of the various alternatives which might be adopted in lieu of the Army communications system, an exact computation of the relative value of those services to FBIS cannot be made. However, it is roughly estimated by FBIS that the free cable service now being provided by the Army would, if required to be paid for at commercial rates, represent an additional annual cost of operations of approximately \$500,000.

If a program to relocate the intercept stations were undertaken, it is hardly likely that a substantial increase in operating costs could be avoided. For example, the taking over of direct operation of the Cairo station will necessitate increasing the personnel on FBIS's payroll there from 2 persons to about 50 persons at an additional annual cost of about \$75,000. As previously indicated, moreover, there is a strong likelihood that BBC will ask FBIS to reimburse it for the service now received gratis at London. Should the arrangement with BBC be replaced by a directly operated station somewhere in Europe, there would certainly be a substantial increase in personnel required as well as other direct costs of operation.

Much of the equipment owned by FBIS for intercept purposes is now old and becoming obsolescent. Replacements with modern equipment are being required and will increase over the near term. At present, FBIS values its physical facilities at about \$50,000 as compared with an original cost of \$250,000.

5. Personnel. The Bureau of the Budget has approved 274 positions for FBIS. A survey conducted by the Office of the Chief of Staff (OCS) indicated a requirement for 289 positions. There are now approximately 230 persons on the payroll. Of the total 112 are at the Washington headquarters and 14 at Silver Hill. The remaining 104 persons are located as follows: Portland - 35; Kaula - 39; Guam - 5; London - 23, and Cairo - 2. However, as previously noted it will be necessary to increase the staff at Cairo to approximately 50 persons, principally natives, when the operation of the intercept station is taken over from MOI on June 1st.

At the present time administrative and payroll matters are handled by the Army on a decentralized basis, with the nearest service command, theater command or military attaché responsible for payroll certifications and records.

A factor to be considered in connection with the question of personnel is the necessity for security clearances in case the "direction"

UNCLASSIFIED



UNCLASSIFIED

INT 180/1

of the monitoring effort should become indicative of intelligence plans and policies. The intrinsic nature of translation work involved in radio monitoring requires personnel with intimate linguistic familiarity with many foreign dialects, and it has been found that the best persons for the work are in many cases aliens or naturalized citizens. While the exact number is not known, it appears that a number of persons employed by FBIS at the present time would, by reason of foreign citizenship or other disqualifying factors, be unable to meet the standards for security clearance for the Department.

### III. CONCLUSIONS.

1. The monitoring service presently conducted by FBIS provides an important and essential source of intelligence. It should be continued.

2. The value of FBIS monitoring can and should be substantially improved by the relocation of intercept facilities so as (a) to obtain better direct coverage of the broadcast output in certain areas, notably Russia, and (b) to increase the over-all coverage of medium and long-wave broadcasting.

3. The "direction" of FBIS monitoring can and should be more closely coordinated with intelligence needs. This could be accomplished under present arrangements, but the State Department is best qualified to and should take the leadership in that direction.

4. Operation of a relocated intercept system will involve increased costs of an undeterminable amount. Since no allowance has been made for such increases in the 1947 budget request for FBIS, any agency assuming responsibility for the operation would have to seek additional funds. But it is clear that the added cost would be minimized if FBIS remained under the control of the War Department.

5. If State were to assume responsibility for the operation of FBIS, it would be faced with a number of difficulties which would not arise in the same degree under continued War Department operation. Principal difficulties would be:

a. Relocation of intercept stations—State clearly would be at a disadvantage compared to the Army in this respect. The Army has easier access to the desirable locations for stations and possesses the necessary technical personnel and equipment, which State does not.

UNCLASSIFIED

UNCLASSIFIED

INT 180/11

b. Communications—The Army operates communication facilities on which FBIS can be carried without additional cost. Even if the free use of those services were assured State for the near future, it would nevertheless have to face the ultimate possibility of charges for the service or alternate commercial arrangements.

c. Administrative services—State would be faced with assuming an additional burden which, because of limited personnel available, would probably entail further costs.

d. Budget—The annual budget of FBIS, small as it is, would represent proportionately a large increment to the intelligence budget for the Department, but it is a relatively small fraction of the intelligence budget for the Army. Higher costs under State operation would tend to accentuate this differential.

#### IV. RECOMMENDATIONS.

1. The Department should concur with the views of the Director of Central Intelligence as expressed in the draft of CIG 1/1 to the effect that the Army should continue the operating responsibility for FBIS during fiscal 1947.

2. The Department should strongly indicate its willingness to support the budget request for FBIS as presented by the Army and offer to testify to the value of the product of FBIS.

3. The Department should offer to work closely with the Director of Central Intelligence in providing "direction" for the monitoring effort and should be prepared to establish intimate liaison with CIG and FBIS for that purpose.

4. The Department should express a willingness (a) to assist the Army in reorganizing the intercept system of FBIS and (b) to continue examining the possibilities of assuming responsibility for its operation in the future. However, the Department should make clear that it could only do so when, and if, the obstacles enumerated above had been disposed of satisfactorily.

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-10-

UNCLASSIFIED